

FINANCE & UTILITY COMMITTEE MEETING
Wednesday, August 21, 2019, 6:00 PM

The Committee meeting was called to order at 6:00 p.m. by Mayor Jeff Snoots. Those present included: Mayor Jeff Snoots, Council Member John Dayton, Council Member Tom Smith, Committee Member Carroll Jones, Committee Member Syree Williams, City Administrator David Dunn, Public Works Director John Gerstner, Chief of Police Milt Frech, Water Superintendent Matt Campbell, Waste Water Superintendent Patrick Hoffmaster, City Clerk Carrie Myers, and Accountant Richard Marshall.

Utility Billing Audit Presentation – Bill Seymour, SB & Company presented their findings regarding the utility billing audit. Mr. Seymour stated his company reviewed the historical data, observed meter reading, observed billing processes, and manually tested a sample of bills. The auditors also questioned management on all billings over 22,000 gallons, which City staff was able to provide prompt answers to why the accounts indicated high usage (i.e. commercial account, apartments, etc.) The audit found there was no manipulation of data and no findings to report. The audit will be presented at the next Council Meeting.

Mr. Dunn stated there is also a third-party utility rate study being conducted currently.

Additional WWTP Operator Position – Mr. Dunn stated there is a need to increase WWTP staffing from 4.5 to 5.5 positions due to increased flow and duties. The committee consented and this item will be discussed at the next Council Meeting.

Intake Project Electric Estimate – Mr. Campbell stated a new electrical service was needed at the intake, which will allow the WWTP generator to be hooked into this site. Staff recommended awarding the work to Monocacy Valley Electric for \$50,000. The committee consented and this item will be discussed at the next Council Meeting.

Sewer Laterals Tap Resealing – Mr. Gerstner stated there is I&I squeezing between re-lined sewer laterals. Staff recommended awarding the work to Crawler Pipeline Services for \$90,000. The committee would like to utilize general fund budget money for this project, rather than bond revenue. The committee consented and this item will be discussed at the next Council Meeting.

Bond Money – Mr. Dunn stated the bond sale took place earlier today. The City received a 20-year fixed rate for 2.09%, with a total of \$6.6 million borrowed. The committee recommended breaking down the bond proceeds as follows: \$3 million – general, \$1.6 million – sewer, \$2 million – water. The committee was not fond of utilizing any sewer bond money on equipment, but wanted to focus on I&I repairs. This item will be discussed at the next Council Meeting.

5th Avenue Water Line Replacement – Mr. Gerstner recommended awarding the work to WF Delauter for \$435,000. The committee consented and this item will be discussed at the next Council Meeting.

Street Paving – Mr. Gerstner stated this is for the remaining paving allocation for this fiscal year. Work would commence in late September. Mr. Gerstner recommended awarding the work

to CJ Miller for \$232,382. The committee consented and this item will be discussed at the next Council Meeting.

Parking Lot Paving – Mr. Gerstner stated the original estimate to pave the South Virginia lot was around \$30,000, however added costs for curb and gutter and engineering have the estimates higher. Mr. Gerstner recommended awarding the work to CJ Miller for \$47,408. The committee consented and this item will be discussed at the next Council Meeting.

West End Guardrail Replacement – Mr. Gerstner stated Frederick County identified this guardrail as too low since standards have changed. Mr. Gerstner recommended awarding this work to Long Fence for \$15,475. The committee consented and this item will be discussed at the next Council Meeting.

Atlantic Machinery PO Approval & Leasing 2 Inc PO Approval – Mr. Gerstner stated these purchase orders are for the new VAC truck. He recommends approval of the two purchase orders in the total amount of \$126,000. The committee consented and this item will be discussed at the next Council Meeting.

Parking Meter Station Proposal – Mr. Dunn discussed a proposal to remove all parking meters from the City and install ten meter boxes throughout town. He stated the approximate cost would be around \$90,000. The current meters are old and replacement parts are not easily obtainable. The meters also require lots of manpower with repair and money collection. The committee directed Mr. Dunn and staff to obtain more information and present this option at a future Council Meeting.

Trash Contract – Mr. Dunn stated the current trash contract has expired. The general consent of the committee is that Key Sanitation has been very easy to work with and done an excellent service for the City over the years. Mr. Dunn was directed to renegotiate a new contract with Key Sanitation and present it at a future Council Meeting.

Sewer Refund – 620 East E Street – Staff discovered this homeowner was charged for sewer for years, when the home actually had a septic system. Staff recommended refunding \$2,769.22 to the homeowner. The committee consented and ask that the homeowner sign an agreement that is refund would take care of the matter.

BB&T Bank Account Changes – Mr. Marshall stated BB&T presented an internal bank account change that would net the City approximately \$100,000 per year. The committee consented to the change.

Heritage Museum Water Bill – Mr. Dunn stated Public Works staff found an outside spigot on the back of the Museum on, so they turned it off, then the Museum received an approximate \$1,000 water bill. They paid \$500 and asked to have the remainder forgiven, but Mayor Snoots and staff denied the request due to violating City policy. The committee felt that an exception to policy should not be made for anyone, therefore the water bill will not be forgiven.

FY2019 Year-End Finance Reports – The committee reviewed the reports and agreed to send any questions to staff.

The meeting adjourned at 7:30p.m.